

Department of the Army Internal Review





WELCOME and INTRODUCTIONS



CLASS EXPECTATIONS



ARMY INTERNAL REVIEW

QUALITY ASSURANCE GUIDE



WHY QA'S?

To ensure that the organization has:

- Adopted applicable professional auditing standards
- Established prescribed audit policies and procedures
- Provided quality audit services



WHO SHOULD DO A QA?

Qualified and experienced personnel with a current knowledge of

- Work being reviewed
- Applicable standards



WHAT'S IN IT FOR ME?

Standardization

Training

Organization

Planning



QA Ready Every Day

Background

Standardization concerns

Productivity



QA OVERVIEW

DA-IR QA Guide was developed in Feb 97:

- By a DA-IR Project Action Team
- Using yellow book standards, regulatory references and best business practices

Website:

<http://www.asafm.army.mil/fp/fod/ir/ir.asp>

- Click on IR Guide
- Select Chapter 10 - Quality Assurance
- Current version is Jan 04



QA OVERVIEW

The DA QA Guide consists of:

- Introductory information
- Scoring guidance and scoring sheets
- Appendixes used to conduct the QA



QA OVERVIEW

Completion of a QA review . . .

Step 1 - Complete QA Appendixes as audit files and staffing information is reviewed.

Step 2 - Complete Section scoring sheets.

Step 3 - Complete Final scoring sheet.



QA OVERVIEW

Scored Sections

- 1 - Organization and Staffing
- 2 - Program Management
- 3 - Audit Process
- 4 - Consultant & Advisory Service
- 5 - Audit Compliance/Liaison
- 6 - Information Technology
- 7 - Internal Review Support



THE WEEDS



SCORING CRITERIA

Quality Assurance Guide:

- Each Section Scored Separately
- Comptroller General Standards (3 pts)
- Regulatory Requirements (2 pts)
- Better Business Practices (1 pt)



Scoring Criteria

Best Business Practices are identified by a score of 1 on the QA guide

[Best Business Practice Link.doc](#)



QA SECTIONS

Major Sections

- 1 - Organization and Staffing
- 2 - Program Management
- 3 - Audit Process
- 4 - Consultant & Advisory Service
- 5 - Audit Compliance/Liaison
- 6 - Information Technology
- 7 - Internal Review Support



Sec 1 - Organization & Staffing

- a. Staffing LEVELS
- b. PLACEMENT in the Organization
- c. PROFESSIONALISM of Auditors



Sec 1 - Organization & Staffing

Challenges?

Options?



Sec 2 - Program Management

a. ADMINISTRATION

- Semi-annual Reports
- Auditable Entity File

b. TRAINING

- IDP/CPE requirements
- Training History file

c. CONTROLS

- Quality Control Procedures
- 55% direct audit time
- 7 or more engagements per auditor



Sec 2 - Program Management

d. ANNUAL PROGRAM DEVELOPMENT

- Participation from Senior Management
- Auditable Entity coordination
- Marketing IR services

e. PROGRAM RESULTS

- Return on investment 3:1
- Customer satisfaction results > 4.5



Sec 3 - Audit Process

a. GENERAL STANDARDS

- Qualification
- Independence
- Professional Care

b. FIELD WORK STANDARDS

- Planning
- Supervision
- Legal Compliance
- Management Control



Sec 3 - Audit Process

c. REPORTING STANDARDS

- Timeliness
- Content
- Presentation
- Distribution

d. REGULATORY REQUIREMENTS

- Planning
- Supervision
- Work paper Evidence
- Content

e. BEST BUSINESS PRACTICES



Sec 4 - Consulting & Advisory

- a. GENERAL STANDARDS
 - Qualification
 - Independence
 - Professional Care
- b. FIELD WORK Standards (DA IR Guidance)
 - Planning
 - Documentation
 - Supervision



Sec 4 - Consulting & Advisory

c. REPORTING

- Consistency with MOA
- Background/Methodology
- Conflict of Interest Qualifying Statements



Sec 5 - Audit Compliance/Liaison

- a. FOLLOW-UP PROCESS
 - Scheduled and performed
 - Recommendations Implemented
 - Monetary Benefit validation
- b. LIAISON
 - Command's POC
 - Published entrance/exit conference results



One Approach

Organization

- Table of Contents (outline of process)
- Gathered examples of current practices
 - Matched to QA guide
 - ID missing, correct, duplicated



One Approach

1. Development
 - a. Creating each document in the table of contents (**template report.doc**)
 - b. Identified how documents would flow through the office
 - c. Process creation
 - Cross-referencing system
 - Supervisory Review checklists



One Approach

2. Execution

- a. Ownership in the process
- b. Growing pains
- c. Individual Empowerment
- d. Goal – continuous improvement



Sec 6 - Information Technology

a. PROCESSED DATA

- Reliability of computer processed Data
- Knowledge of data system controls
- DA standard for automation hardware
- IT to enhance office productivity



Sec 6 - Information Technology

Challenges?

Ideas?



Sec 7 - Internal Review Support

- a. COMMAND SUPPORT
 - Audit program Development
 - Report Distribution
 - Command response
 - Formal Adjudication procedures
 - Formal Follow up policy
 - Resources provided IR function
- b. MANAGEMENT CONTROL PROGRAM INVOLVEMENT



Using QA to Market IR

- Annual program development
- Create IR Steering Committee
- Present audit input
- Committee prioritization
- Annual IR Program presented to Senior Leader for approval
- Implementation



QA Ready Every Day

Benefits-Payoff

- Assurance
- Productivity
- Efficiency
- Confidence
- Team Development
- Happy Campers



Internal QA

- Improves quality of audit operations and services
- Identifies areas where additional supervision or training may be needed

Internal QA.doc

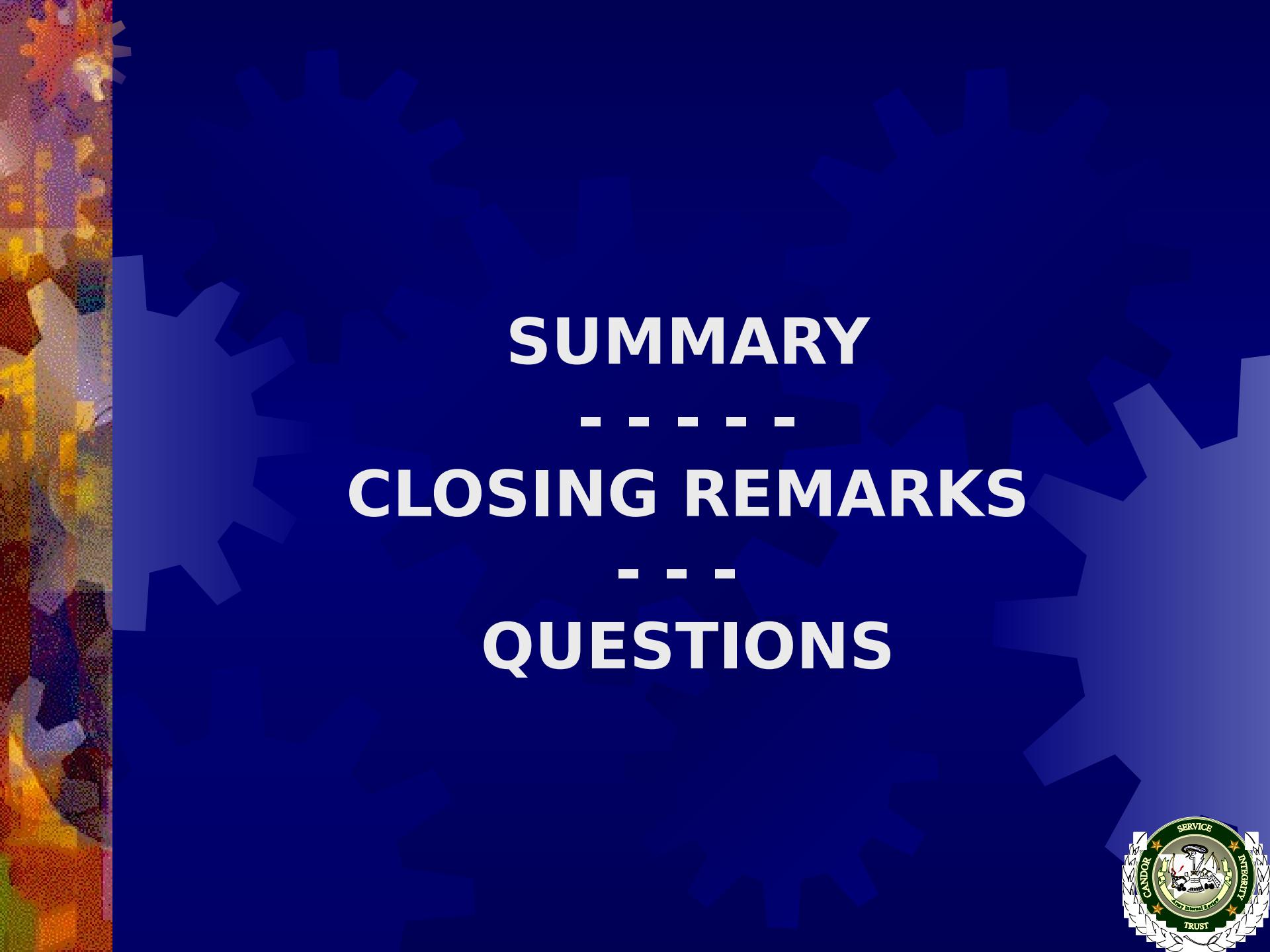


External QA

- Required every three years
- Conducted by qualified auditors independent from the Command under review

External QA.doc





SUMMARY

CLOSING REMARKS

QUESTIONS

